



Textiles and Apparel

Why Trade Matters

INDUSTRY SECTOR REPORT

General information on exports. Total U.S. textile and apparel exports in 2000 were \$20.6 billion.

Market development. U.S. textile and apparel producers believe they can be competitive in overseas markets if trade barriers that proliferate within the sector are reduced or eliminated and U.S. producers have a level playing field.

Tariffs. During the Uruguay Round, many countries agreed to lower and bind their textile and apparel tariffs. However, tariffs remain relatively high in a number of countries, averaging 35 to 45 percent. In some markets tariffs remain unbound, making future access for products uncertain.

Nontariff barriers. Significant trade barriers remain in customs valuation, additional taxes and surcharges, customs procedures, labeling requirements, inadequate intellectual property rights protection, and lack of transparency.

Small and medium-sized enterprises. There are approximately 26,000 textile and apparel companies located throughout the United States, all but a few of which are small or medium-sized.





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Employment opportunities. The U.S. textile and apparel industry is one of the largest employers in the manufacturing sector, with 1.2 million workers in 2000, or 6 percent of the U.S. manufacturing workforce.

Key producing states. Textile and apparel production is located chiefly in the southeastern United States (especially North Carolina, Georgia, and South Carolina), California, and New York.

The sector. This sector includes synthetic fibers, yarn, fabric, made-up items, and clothing.

BENEFITS AND EFFECTS FROM PREVIOUS TRADE AGREEMENTS:

- ▶ NAFTA dramatically increased textile and apparel trade among its members and has made U.S. companies more competitive with Asian producers through the establishment of production sharing arrangements in North America. U.S. textile and apparel exports to NAFTA increased 163 percent to \$10.2 billion between 1993 and 2000. U.S. textile and apparel exports, excluding those to Canada and Mexico, increased by 6 percent to \$10.4 billion since the beginning of Uruguay Round implementation in 1995.